

In the Drawings

Please substitute the drawing sheet having Figure 5 with the replacement sheet.

REMARKS

In the patent application, claims 1-30 are pending. In the office action, all pending claims are rejected.

Applicant has canceled claims 1-30 and added new claims 31-51.

Applicant has amended the specification to change the reference numeral 137 on page 17, line 12, to 137'. The support for the amendment can be found on page 17, line 13; and Figure 5 (output from the MC prediction block 36').

Applicant has also amended Figure 5 to change the reference numeral 136 to 136' (the line between the MC prediction block 36' and the summing device 32). The support can be found on page 17, lines 8-10 of the specification.

The support for claim 31-43 and 45-51 can be found in Figure 5 and page 16, line 21 to page 17, line 21, of the specification. In particular, the support can be found from the reference numerals as follows:

First bistream 100

Second bitstream 100'

First transform coefficients 120

Second transform coefficients 120' or 140

First predicted video data 137'

Previously constructed part of the second bitstream $R_2(t-1)$

Third transform coefficients 139'

Second predicted video data 136 or 136';

Previously constructed part of the first bitstream $R_1(t-1)$

Fourth transform coefficient 138 or 138'

Scaling; first scaling processor 22, second scaling processor 22'

Scaled first transform coefficients 122

Scaled second transform coefficients 122'

Summing, the first summing processor 24

Subtracting, the second summing processor 25

Motion compensated predicted processor 36'
Transform processor 39'
Combining processor 24, 25
Further motion compensated predicted processor 36
Further transform processor, third transform processor 38
Second transform processor 38'
Fifth transform coefficient 138
Quantization processor 26

The support for claim 44 can be found in Figure 6:

Memory device 40
Further transform processor 41.

No new matter has been introduced.

At section 3, claims 16-21 are rejected under 35 U.S.C. 112.
Applicant has canceled claims 16-21.

At section 4, claims 1-30 are rejected under 35 U.S.C. 102(b) as being anticipated by *Chang et al.* ("Manipulation and Composing of MC-DCT Compressed Video"; pp.1-10; in IEEE Journal of Selected Areas in Communication Vo. 13, No.1, 1995, hereafter referred to as *Chang*).
Applicant has canceled claims 1-30 and added new claims 31-51.

It is respectfully submitted that independent claims 31, 37, 45 and 48 include the limitations of
obtaining a first predicted video data based on motion information from the a first bitstream and a previously constructed part of a second bitstream; and
performing transform operation on the first predicted video data for obtaining a plurality of third transform coefficients.

The first predicted video data and the third transform coefficients are denoted by reference numeral 137' and 139' in Figure 5. On page 17, lines 10-13, it is stated that "Furthermore, using the motion-vectors of the first video-clip and the reconstructed frames of the second video-clip, a reference block 137' $R_2(x+\Delta x_1, y+\Delta y_1, t-1)$ is obtained through the Motion Compensation prediction block 36'. The reference block 137' is also subjected to transform coding by a transform block 39'."

These features are not disclosed in the cited *Chang* reference.

For the above reasons, *Chang* fails to anticipate independent claims 31, 37, 45 and 48.

As for claims 32-36, 38-44, 46-47 and 49-51, they are dependent from claims 31, 37, 45 and 48 and recite features not recited in claims 31, 37, 45 and 48. For reasons regarding claims 31, 37, 45 and 48 above, claims 32-36, 38-44, 46-47 and 49-51 are also distinguishable over the cited *Chang* reference.

CONCLUSION

Claims 31-51 are allowable. Early allowance of claims 31-51 is earnestly solicited.

Respectfully submitted,

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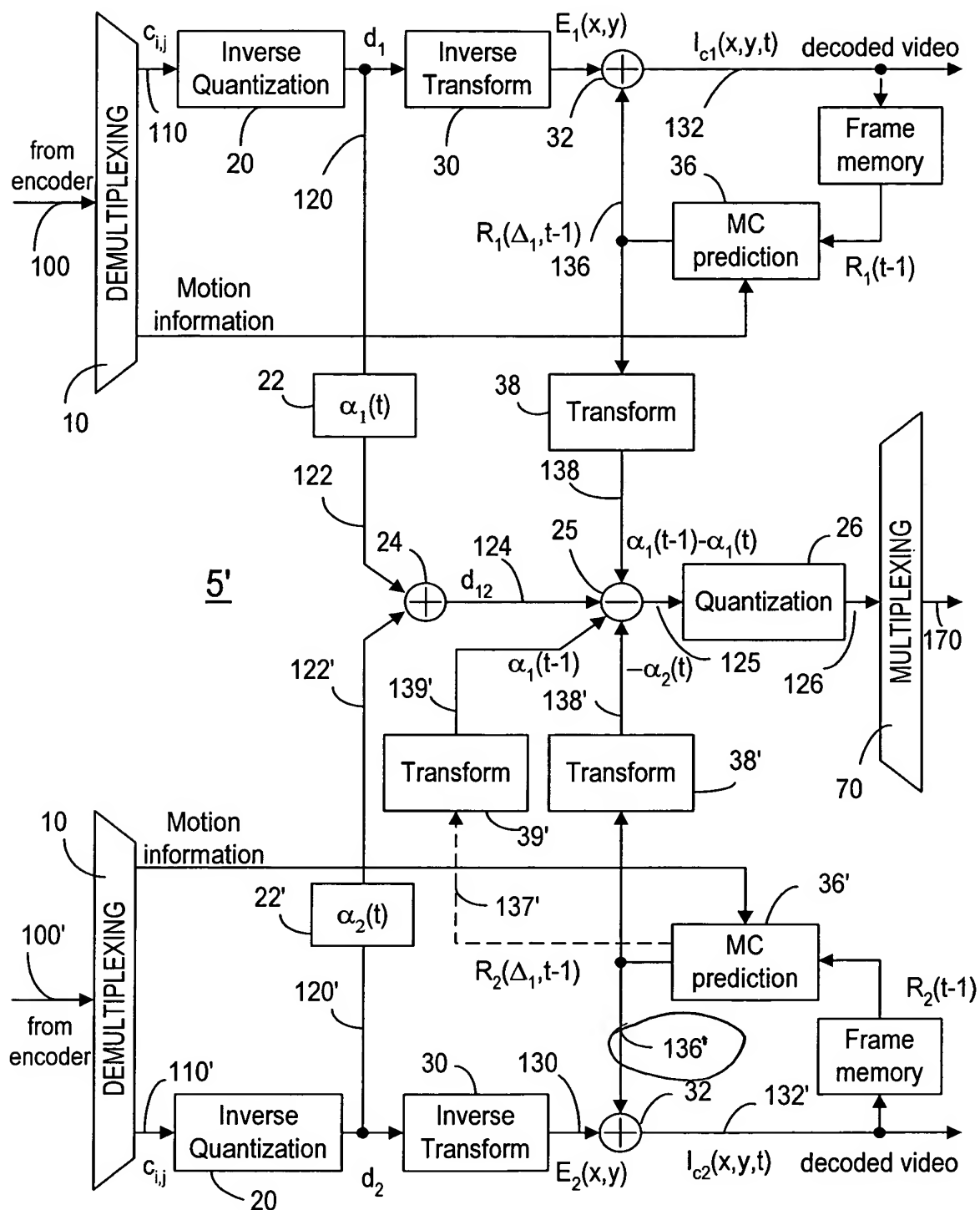


FIG. 5